



myRA: What Employers Need to Know

The U.S. Department of the Treasury is developing *myRA*_{SM} ("My Retirement Account"), a new retirement savings program for individuals looking for a **simple**, **safe**, and **affordable** way to start saving. *myRA*, which Treasury will begin rolling out in late 2014, will be a Roth IRA designed for workers who want to start saving for retirement and who are not eligible to participate in an employer-sponsored plan. It is not intended to replace employer-sponsored retirement plans.

Helping your employees save for retirement with *myRA* will be easy. There's no employer contribution, match, or account administration. Your role will be simple:

- Share information about *myRA* with your employees using materials and resources made available online by Treasury.
- Process employees' *myRA* payroll direct deposit requests.

What Employees Need to Know

The contributions fund a new retirement savings bond that earns interest at the same variable rate as the low-risk investment option offered to federal government employees.

- Employees sign up online for *myRA* and customer service will be provided by Treasury's financial agent.
- *myRA* will have Roth IRA income and annual contribution limits. For 2014, income limits are \$129,000 for individuals and \$191,000 for households. Each year, individuals can contribute up to \$5,500 (\$6,500 if at least age 55). Both of these limits may change from year to year for cost of living adjustments.
- *myRA* balances can be transferred to private-sector retirement accounts at any time. However, when *myRA* accounts reach a balance of \$15,000 or a 30-year life, Treasury will work with savers to transfer their balances to private-sector retirement accounts.



SIMPLE

- Deposits automatic every payday
- Portable – not tied to a single employer
- Contributions can be withdrawn tax free
- Earnings can be withdrawn tax free after five years and the saver is 59½



SAFE

- Will never go down in value
- Low risk
- Backed by the U.S. Treasury
- Information is private and secure



AFFORDABLE

- No cost to open an account
- Contribute every payday
- (\$50, \$25, \$7—any amount!)
- No fees
- Roth IRA tax advantages

For more information, contact the *myRA* team at myRAInquiries@fiscal.treasury.gov or call (800) 553-2663. Or, visit www.myra.treasury.gov.



myRA is a service mark of the U.S. Department of the Treasury.



myRA

What Employers Need to Know

Presented to:
Company Name
Date

Barrier to Retirement Saving

Lack of access to employer-sponsored retirement plans

- About half of all workers
- 75 percent of part-time workers

Source: Employee Benefits Research Institute



myRA: Filling a Critical Need

The U.S. Treasury is developing the *myRA* (“My Retirement Account”) program to help people looking for a **simple**, **safe** and **affordable** way to start saving. It will be designed for:

- Full-time and part-time workers
- Seasonal and transient workers
- New savers
- Those without access to an employer-sponsored retirement savings program



Key Features



SIMPLE

- Deposits automatic every payday
- Portable – not tied to a single employer
- Contributions can be withdrawn tax free
- Earnings can be withdrawn tax free after five years and the saver is 59½



SAFE

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AFFORDABLE

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- No fees
- Roth IRA tax advantages



How Will It Work?

- STEP 1:** Employees will sign up for *myRA* online
- STEP 2:** Employers will set up initial payroll direct deposit and ongoing direct deposit to employees' *myRA*s
- STEP 3:** Employees will start earning the same variable rate as low-risk investments for federal employees



Why make *myRA* available?

Benefits to Employees

- No fees
- No cost to open an account
- Simple, safe affordable way to start saving
- Account will never go down in value



myRA

Advantages to Employers

- Help your employees save for retirement
- Easy, no cost to you
- Attract and retain employees



Easy

- No employer contributions or match
- No account administration or maintenance
- Simply set up ongoing payroll direct deposits for participating employees
- Print and share information with employees



Basic Terms and Conditions

Follows IRA Rules

- Contributions can be withdrawn tax free
- Earnings can be withdrawn tax free after five years and the saver is 59½.
- Tax treatment defined by Roth IRA rules
- Annual income limits:
 - \$129,000 for individuals
 - \$191,000 for couples

Interest

- Earns interest at same variable rate as the Government Securities Investment Fund
- Based on weighted average yield of Treasury notes and bonds with four or more years to maturity
- Accrued interest added to principal

Transfer to private-sector accounts

- At any time
- OR**
- After 30 years or \$15,000 saved, when interest earning stops



What We Are Asking

- Are you interested in making *myRA* available to your employees?
- If so, provide feedback on how *myRA* could work in your business.



Need Additional Information?

Additional information can be found on our website:
www.myra.treasury.gov

Questions can be directed to our email account:
myRAInquiries@fiscal.treasury.gov





myRA: A Simple, Safe, Affordable Retirement Savings Account

The U.S. Department of the Treasury will develop the *myRA*_{SM} ("My Retirement Account") program, offering a new retirement savings account for individuals looking for a **simple**, **safe**, and **affordable** way to start saving. Individuals will be able to open accounts with no start-up cost and contribute to them every payday. *myRA* balances will never go down and there will be no fees. Initially, *myRA* will be made available through employers and the investment held in the account will be backed by the U.S. Treasury.

WHO WILL *myRA* BE FOR?

myRA will be Roth IRA accounts available to anyone who has an annual income of less than \$129,000 a year for individuals and \$191,000 for couples. *myRA* will be for individuals who do not have access to an employer-sponsored retirement savings plan. *myRA* is designed for individuals who want an investment with a low opening amount.

HOW WILL *myRA* WORK?

The *myRA* investment will earn interest at the same variable rate as the Government Securities Investment Fund in the Thrift Savings Plan for federal employees. Individuals may voluntarily roll over *myRA* to private-sector retirement accounts at any time. Once *myRA* reaches \$15,000, or after 30 years, the balance will be transferred to a private-sector retirement account. Treasury will finalize transfer procedures when it launches the *myRA* program later this year.

HOW WILL EMPLOYEES SIGN UP FOR *myRA*?

Once the accounts are available, employees of participating employers will start by signing up for a *myRA* account online. Then they will set up payroll direct deposit with their employers to have a portion of their paychecks (\$50, \$25, \$7—any amount!) deposited into their *myRAs* automatically every payday.

Simple

- Deposits automatic every payday
- Portable – not tied to a single employer
- Contributions can be withdrawn tax free
- Earnings can be withdrawn tax free after five years and the saver is 59½

Safe

- Will never go down in value
- Low risk
- Information will be private and secure
- Backed by the U.S. Treasury

Affordable

- No cost to open an account
- Contribute every payday (\$50, \$25, \$7—any amount!)
- No fees
- Roth IRA tax advantages

WHEN WILL *myRA* BE AVAILABLE?

Treasury will begin rolling out *myRA* in late 2014.

HOW WILL EMPLOYERS PARTICIPATE?

myRA will be free and easy for employers to make available to employees. Employers may distribute *myRA* information but will not administer employee accounts, contribute to them, or match employee contributions. On payday, employers will send a direct deposit to participating employees' *myRAs*.

For more information, contact the *myRA* team at myRAInquiries@fiscal.treasury.gov or call (800) 553-2663. Or, visit www.myra.treasury.gov.



myRA is a service mark of the U.S. Department of the Treasury.





1. What is Treasury's new *myRA* ("my Retirement Account") program?

Treasury will develop the *myRA*_{SM} program to offer a new retirement savings account to help people looking for a simple, safe, and affordable way to start saving—especially new savers. This account will hold a new "add on" Treasury security in an individual retirement account (an IRA) so individuals will add to the value of a single security with each contribution they make, rather than buying additional securities.

The retirement savings account will be a Roth IRA and have the same tax treatment and follow the rules of Roth IRAs. It will have no cost to open, no fees, and will never go down in value. The security in the account, like other U.S. savings bonds and Treasury securities, will be backed by the U.S. Treasury.

2. When will people be able to sign up for *myRA*?

Treasury will begin rolling out *myRA* in late 2014.

3. How will people sign up for *myRA*?

Initially, participating employers will make *myRA* information available to their employees. Once the accounts are available, individuals will be able to enroll in the program with no start-up cost. Individuals can then elect to have a portion of each paycheck (\$50, \$25, \$7—any amount!) directly deposited into their *myRA*s automatically.

4. Who will be able to invest in *myRA*?

myRA will be Roth IRA accounts with Roth IRA annual income eligibility limits—which means that people who have an annual income of less than \$129,000 for individuals and \$191,000 for couples can participate. These limits are subject to annual cost-of-living adjustments. Each individual, not the employer, will be responsible for complying with these income limits.

5. What benefits will *myRA* offer?

As with all Treasury securities, the security held in each *myRA* will be backed by the U.S. Treasury. *myRA* account balances will never go down. Additional features will include:

- No cost to open an account
- Individuals decide how much to contribute (\$50, \$25, \$7—any amount!) every payday
- Deposits are automatic every payday
- No fees
- Portable – not tied to a single employer
- Roth IRA tax advantages
- Contributions can be withdrawn tax free
- Earnings can be withdrawn tax free after five years and the saver is 59½
- Low risk
- Information is private and secure
- Account holders can build savings for 30 years or until their *myRA* reaches \$15,000— whichever comes first. After that, *myRA* balances will transfer to private-sector retirement accounts. Treasury will finalize rollover procedures when it launches *myRA* this year.



6. Will *myRA* be made available by all employers?

Employers will not be required to make *myRA* available to their employees. Treasury's research, however, indicates that the *myRA* program will fill a void for workers and employers alike, especially employees without an employer-sponsored plan and employees who do not qualify for their employers' existing retirement plans. The *myRA* program will offer employers an easy way to help their employees improve their financial stability by saving for retirement.

7. How will *myRA* work for people who move to a new job or need to work more than one job?

An individual who changes jobs can continue to add savings to an existing *myRA* account by setting up deposits through any employer that offers payroll direct deposit. An individual with multiple jobs will be able to use direct deposit from each paycheck to contribute to a single *myRA*.

8. Is *myRA* meant to replace employer 401(k) plans?

No. Treasury intends for the *myRA* program to help the millions of working Americans who don't have access to an employer-sponsored retirement plan. Employees who are eligible for an employer-sponsored plan will continue to have many good reasons to participate in their employer plans rather than the *myRA* program.

9. Where can people find more information?

For more information, contact the *myRA* team at myRAInquiries@fiscal.treasury.gov or call (800) 553-2663. Or, visit www.myra.treasury.gov.